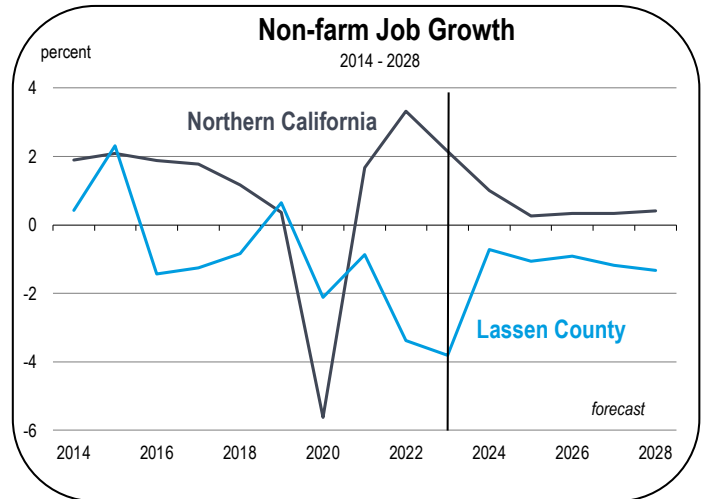


Lassen County Economic Forecast

Forecast Summary

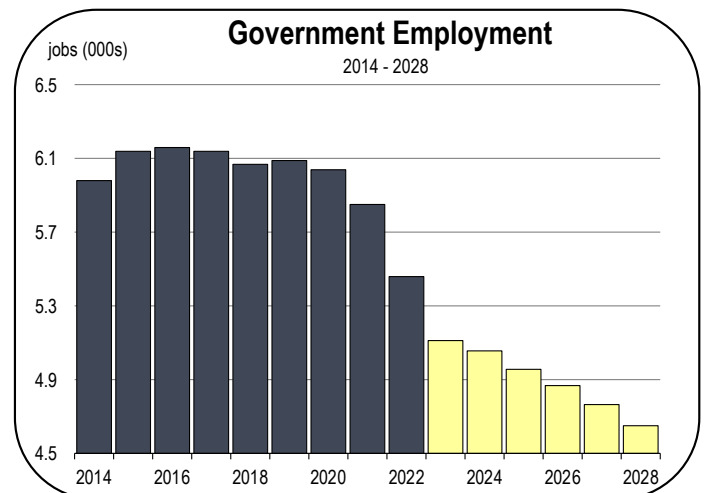
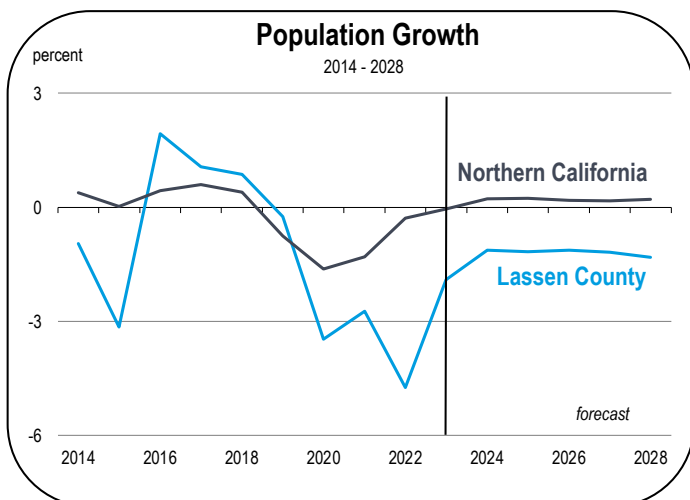
- The population and the total workforce in Lassen County have generally been in decline, since 2007 for population and since 2009 for employment.
- Non-farm employment declined 0.5 percent in 2022 resulting in 50 lost jobs.
- Farm employment was up sharply in 2022, adding 260 workers to the annual average. A further seasonal burst in temporary workers has occurred in 2023, generating a 109 percent increase in total farm employment.
- The California Correctional Center, a large state prison in Susanville, was deactivated on June 30, 2023.
- The California Correctional Center had accounted for more than 10 percent of all jobs in Lassen County. Thus, its closure has had a meaningful impact on the county's labor market and general economy in 2023.
- Nevertheless, non-farm employment will expand 2.3 percent in 2023 with the addition of 200 jobs.
- Over the short-term forecast, negative job growth of 1.0 percent per year will prevail between 2024-2028 resulting in a contraction of up to 500 jobs.
- The unemployment rate averaged 4.5 percent in 2022. It is forecast to be 5.1 percent in 2023 and 5.6 percent in 2024.
- There are more jobs in the county than residents working, meaning that more workers commute into Lassen County for work than commute out.



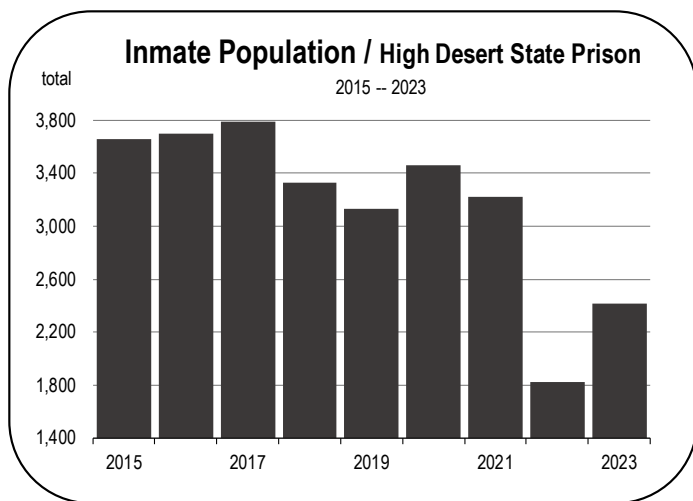
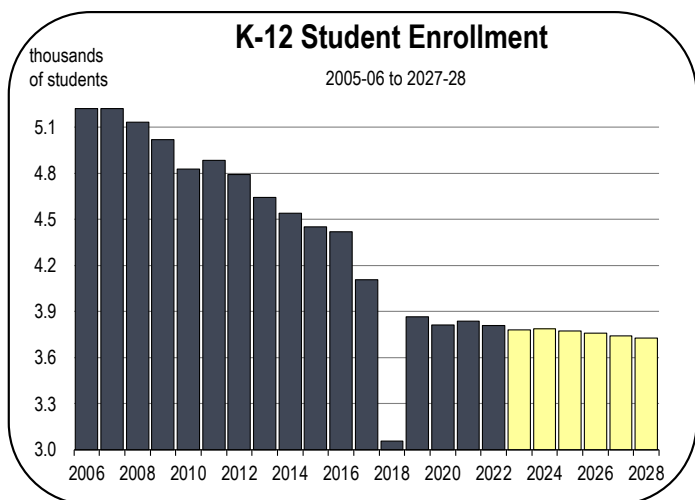
- The Lassen County population is expected to fall during the forecast period and is projected to continue declining over the long term.
- The median home price increased by 5.5 percent in 2022 to \$243,000.
- Home prices are on pace to fall 1.3 percent in 2023 and appreciate 4.5 percent in 2024 up to \$250,000.

Government Employment

- Total government employment accounts for 54 percent of total wage and salary employment in Lassen County.
- The State and Federal prisons collectively account for a major share of jobs within the county.



Lassen County Economic Forecast



- Other than prisons, the most prominent government activity in Lassen County is related to the local school districts and the Sierra Army Depot. Furthermore, the county is home to a myriad of public sector organizations that contribute to total employment, including Cal Fire regional office, a federal BLM office and fire stations, USFS Maintenance Yard, USFS Supervisors office, and Lassen Community College.
- The Sierra Army Depot is a U.S. Army post and military equipment storage facility located near Herlong. Total headcount at the base is 1,200 persons.
- There is a vulnerability associated with employment at the local school districts because over the forecast period the school-age population will continue to decline.
- Government employment declined 6.7 percent in 2022 with the loss of 390 jobs.
- Public sector employment is on pace to contract by 350 jobs in 2023, representing a 6.4 percent decrease. Between 2024-2028, 460 more jobs will be eliminated represented by an average negative growth rate of 1.9 percent per year.

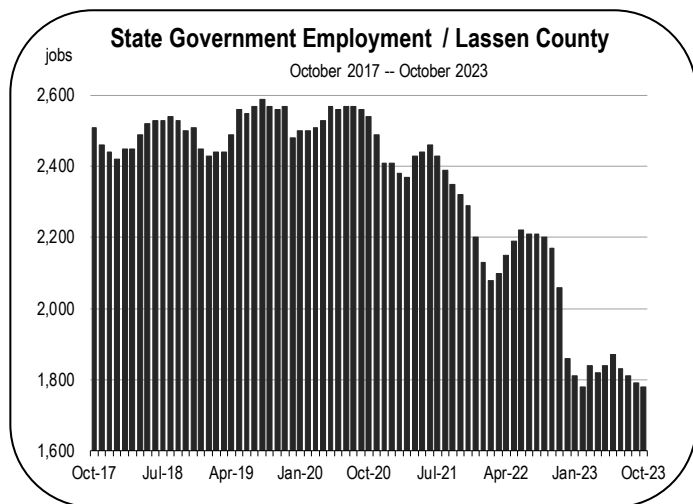
Lassen County Correctional Facilities

- Following an appeal to the original April 2021 order to close the facility, it was decided in September 2022 that the California Correctional Center would be deactivated in 2023 and that all jobs at the facility would either be eliminated or transferred to alternative prisons within the state system. The official closure date was June 30, 2023.
- In early 2022, the prison had a population of 2,308 inmates and employed 1,080 workers. Staff layoffs and transfers are now complete.
- The California Correctional Center was a minimum-security state prison in the city of Susanville. Many of the prisoners were reassigned to the High Desert State Prison.

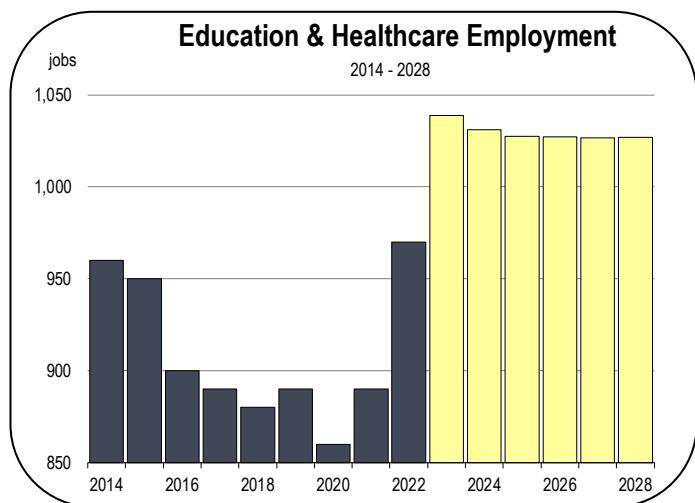
Facility	Population*
California Correctional Center	0
Federal Correctional Institution	1,426
High Desert State Prison	2,413

* as of December 2023

- Also located in Susanville is the High Desert State Prison (a California maximum security facility), and the nearby Federal Correctional Institution, in Herlong.
- Lassen County's main economic driver is its prisons. With the closure of the California Correctional Center, there are now two correctional and one detention center in Lassen County.
- High Desert State Prison employs 1,340 workers and the Federal Correctional Institution employs 107 workers.
- With the closure of the California Correctional Center, half of the prison staff, or 540 positions were eliminated. Total State Government employment in October was 1,780. Two years earlier, it was 2,320.



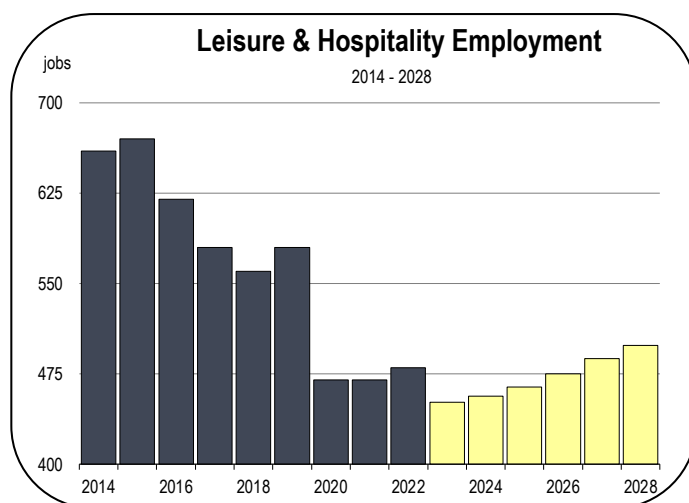
Lassen County Economic Forecast



- The Adult Detention Facility or the Lassen County Jail averaged 1,400 bookings per year with an average daily population of 120.
- The correctional and detention centers are major employers in the remote Northern California region. According to Indeed, the average salary for a Correctional Officer in California is \$33.45 per hour, or \$5,043 per month for new recruits. This does not include relocation pay, or recruitment and retention pay, or housing stipends offered at some institutions in addition to base pay.
- Both relocation and recruitment/retention pay are offered at High Desert State Prison.

Healthcare Employment

- The private education and healthcare industries account for approximately 10 percent of all jobs in Lassen County. Ninety percent of all workers are in healthcare.
- During 2022, the sector expanded by 80 workers representing 9.0 percent job growth.
- Banner Lassen Medical Center is the hospital in Susanville and has over 200 employees.
- The healthcare industry is on pace to expand employment 7.1 percent resulting in 70 more jobs in 2023.



- Between 2024 and 2028, healthcare employment is forecast to stabilize.

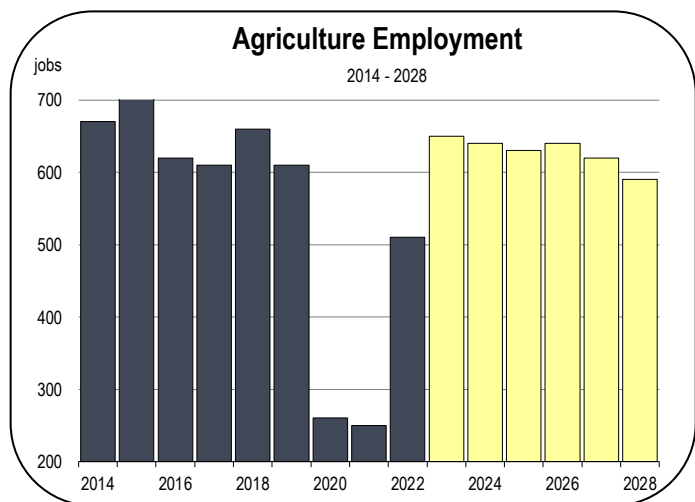
Leisure and Hospitality Employment

- Lassen Volcanic National Park is the largest tourism attraction in Lassen County. Each year, thousands of tourists visit the park for its lakes, mountains, and meadows.
- Recent impediments to tourism activity in the county are attributed to the Coronavirus Pandemic in 2020 and the Dixie Fire that raged through Lassen Volcanic National Park in August and September of 2021.
- Visitation to the National Park picked up in 2022 with a recreational visitor count of 446,300.. Prior to the Dixie Fire, the park would typically attract over 500,000 visitors per year.
- The Susanville Indian Rancheria runs the Diamond Mountain Casino and Hotel. The hotel has 70 rooms; the casino features 250 slot machines. The casino employs 85 workers.
- The Lassen County Fair occurs annually in mid-July. Attendance at the 2023 event was estimated at over 35,000 for the 5-day event.
- Leisure & recreation employment has not yet been restored from the pandemic recession. The forecast calls for a slow recovery with minimal job creation over the next five years.



Lassen Volcanic National Park

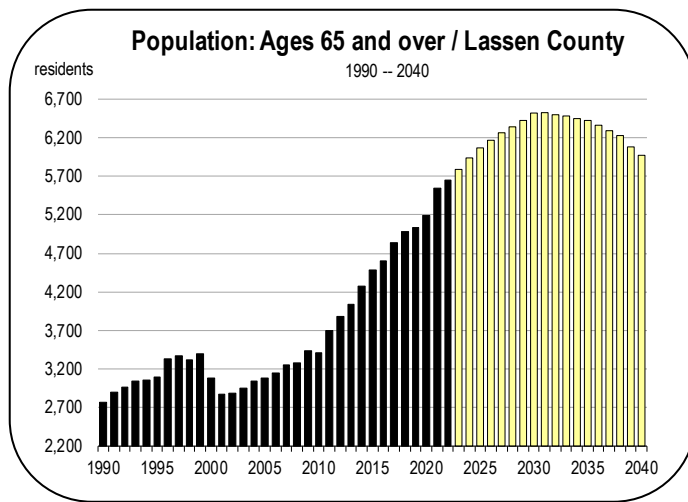
Lassen County Economic Forecast



Agriculture Employment

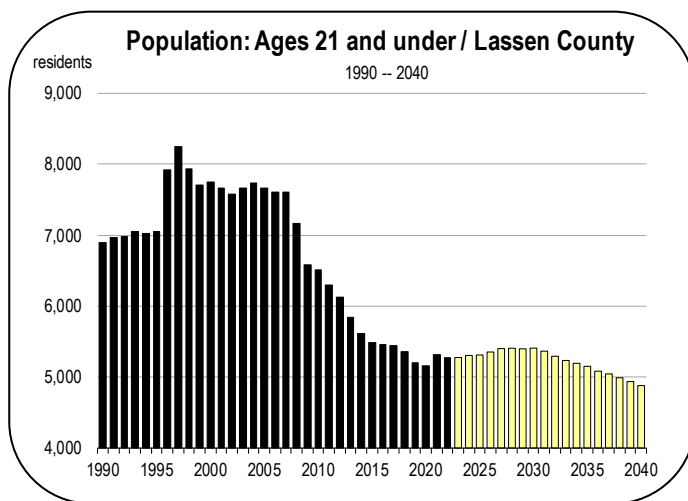
- The number of farm workers reported in Lassen County during 2023 has doubled compared to 2022. Most of these workers are seasonal and are not likely sustainable as permanent farm jobs in the county over the forecast.
- The forecast calls for little change in the farm workforce over the next several years.
- The most prominent agricultural commodities in Lassen County are hay and livestock.
- The 2022 crop report presents the following production values for agricultural products in the county:

Crop / Product	millions of dollars
Field Crops	\$78.2
Fruit & Vegetable	\$21.9
Livestock & Poultry	\$38.5
Timber	\$3.6
<hr/>	
Total	\$142.3

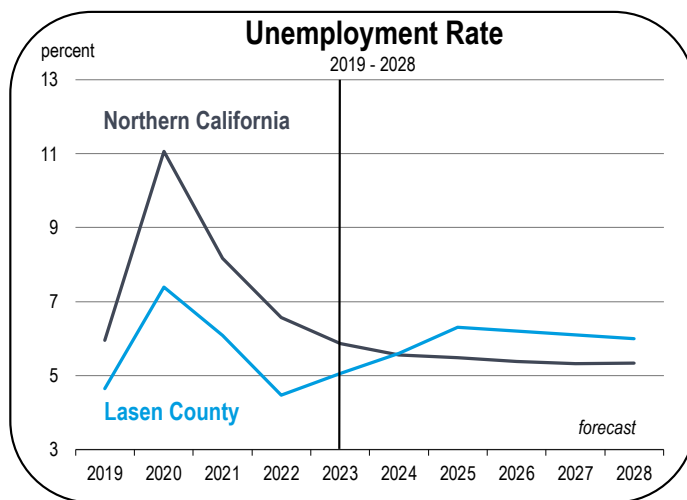
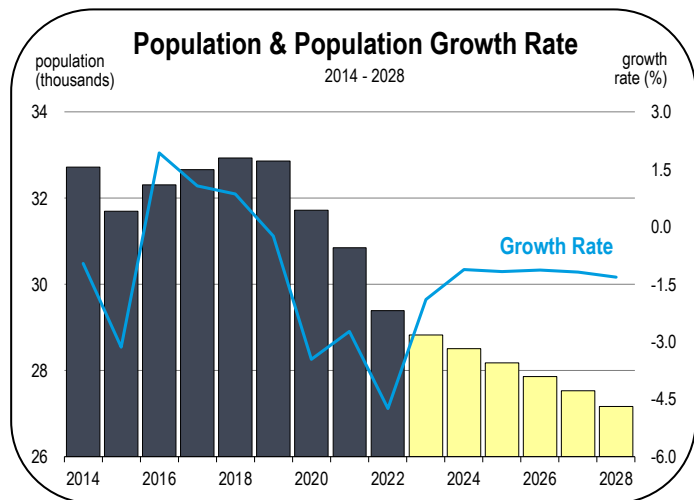


Population Growth

- Lassen County has an aging population. Over the last fifteen years, the 65 and older age category was the only demographic age cohort that increased. This cohort will continue to rise over the decade, peaking in 2030 when it accounts for 23 percent of the total population.
- The 21 and under age population cohort has been in decline since the late 1990s. It is not expected to rise much over the forecast.
- The population in Lassen had been rising through 2018, but has been in decline since due to declining prison populations and the complete closure last year of the CCC. This resulted in both prison and non prison populations being impacted by transfers and/or out-migration.



Lassen County Economic Forecast



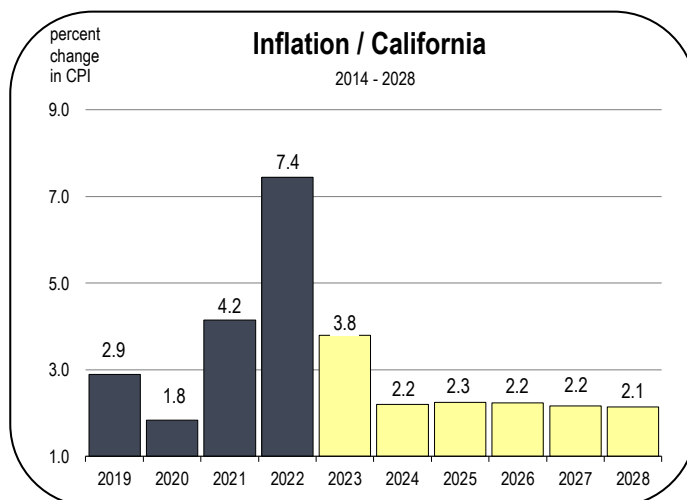
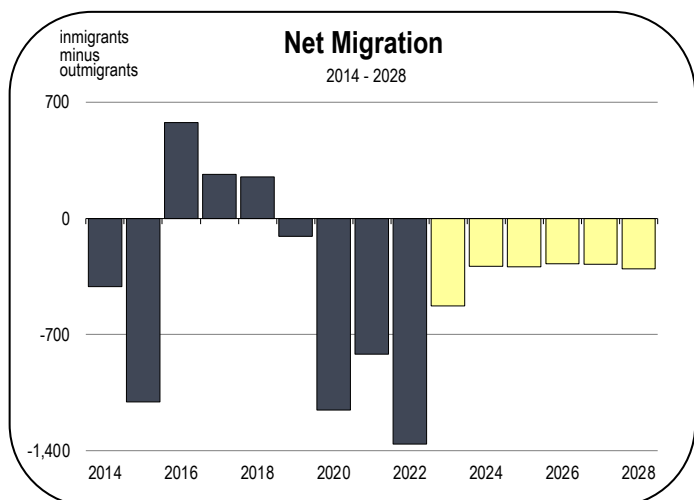
- The county's population is expected to remain in moderate decline during the 2023-2028 forecast period because the influence of the prison population movements will have less of an impact.
- Net in-migration has been negative in 12 of the last 15 years. The natural rate of population growth turned negative in 2020 and is forecast to remain negative over the indefinite future.
- During the forecast period, out-migration remains generally negative though it is forecast to moderate because the influence of prison population movements will have less of an impact.
- The extent of the population decline forecast over the 2023 to 2028 period is gradual and reduces the number of residents in Lassen County from 28,829 to just over 27,000.

- The unemployment rate is expected to average 5.1 percent in 2023 and 5.6 percent in 2024.
- Inflation in California, including the Northern California Region, soared to 7.4 percent in 2022, but is expected to decelerate in 2023 to 3.8 percent due largely to declining energy costs, the restoration of supply chains, and stagnant housing costs.
- Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2023.
- The rate is forecast to continuously decelerate over the forecast period as the labor force is restored, interest rates subside, and wage inflation is contained.

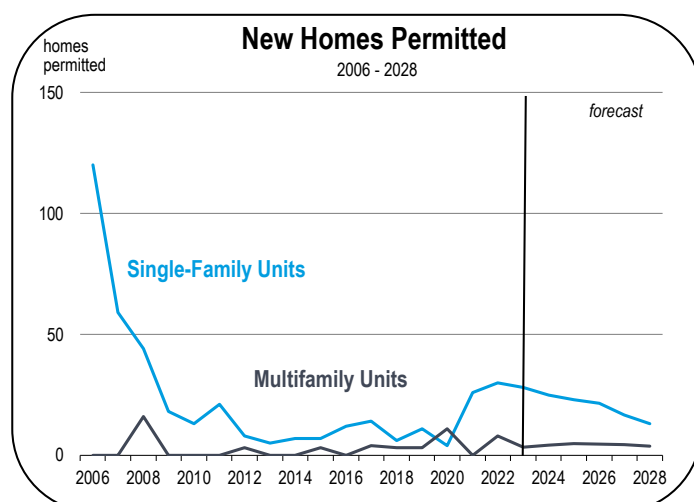
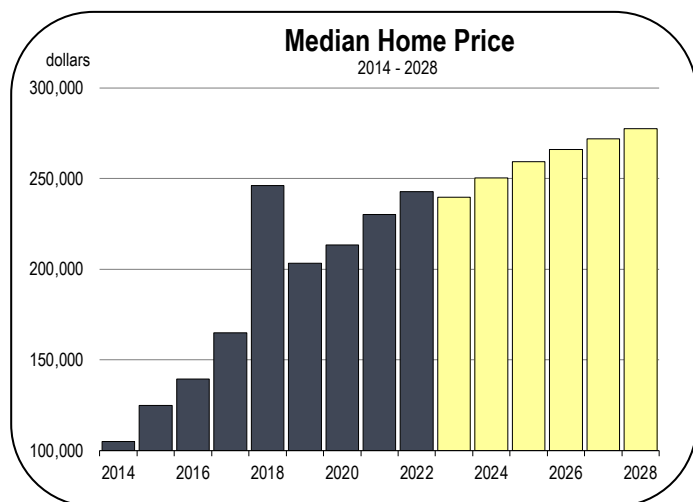
Unemployment and Inflation Rates

- The unemployment rate in Lassen County averaged 4.5 percent in 2022.
- An unemployment rate below 5.0 percent signifies a fully employed workforce in Lassen County.

- A risk to the forecast is whether Congressional spending will subside. During 2021 and 2022, this was a principal contributor to the surge of inflation nation-wide. Another risk is whether the economic slowdown will moderate the demand for labor, leading to lower wage inflation.
- Average general inflation rates eventually decline to 3 percent again by 2024.



Lassen County Economic Forecast



Home Prices and New Housing Production

- In 2022, the median home value increased 5.5 percent to \$243,000.
- Price appreciation is now reversing throughout California with most counties reporting selling price contractions in 2023. The median selling price for Lassen County is forecast to fall 1.3 percent in 2023.
- Home price appreciation is expected to resume in 2024. Home values in Lassen are forecast to rise 4.5 percent bringing the median price up to over \$250,000.
- Thereafter, the average annual rate of appreciation between 2024-2028 is forecast to be 3.0 percent.
- The median home price in 2028 is projected to be over \$277,000.
- From 2017 to 2022, an average of 20 new residential units were started per year in Lassen County. Seventy-five percent were

single-family homes.

- The Beckwourth Fire destroyed 20 homes in Lassen County in July 2021 and the Dixie Fire destroyed 47 structures---mostly homes---in August of 2021.
- The production of new housing permits will average 25 units per year from 2023 to 2028. 84 percent will be single-family homes many of which will be rebuilds from the Beckwourth Complex and Dixie Fires.

New Development in Lassen County

- There have been proposals for some projects in recent years, but due to lack of financing or other issues associated with development location, applicants did not move forward.
- The lack of investment in new construction of housing and/or commercial facilities in the county has the potential to be problematic for the development of new job opportunities and commerce for existing residents.

Lassen County Economic Forecast

Economic Indicators

2015-2022 History, 2023-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (millions)	Total Taxable Sales (millions)	Real Industrial Production (millions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	31,697	9.8	-1,106	10	36.5	\$1.0	\$203	\$296	\$51.2	\$41,196	7.3	\$162	0.9
2016	32,309	9.6	578	12	37.1	\$1.1	\$204	\$334	\$51.3	\$40,662	7.0	\$151	1.9
2017	32,655	9.6	264	18	36.0	\$1.1	\$278	\$365	\$57.1	\$39,354	5.6	\$158	2.8
2018	32,936	9.5	248	9	36.0	\$1.1	\$205	\$277	\$50.4	\$38,189	4.8	\$169	3.8
2019	32,857	9.4	-110	14	36.6	\$1.1	\$212	\$276	\$53.5	\$38,103	4.7	\$154	3.1
2020	31,719	9.9	-1,154	15	36.8	\$1.2	\$233	\$305	\$49.2	\$43,405	7.4	\$163	1.6
2021	30,851	9.9	-818	26	37.3	\$1.3	\$294	\$381	\$49.4	\$45,479	6.1	\$161	3.8
2022	29,387	9.9	-1,360	38	35.7	\$1.3	\$256	\$378	\$46.0	\$43,225	4.5	\$153	7.9
2023	28,829	9.6	-528	31	35.7	\$1.3	\$261	\$342	\$46.7	\$43,393	5.1	\$172	3.7
2024	28,505	9.6	-288	29	35.7	\$1.4	\$265	\$345	\$46.9	\$44,129	5.6	\$174	3.0
2025	28,174	9.7	-292	28	35.7	\$1.4	\$272	\$355	\$47.5	\$44,832	6.3	\$177	2.7
2026	27,856	9.7	-273	26	35.7	\$1.4	\$281	\$368	\$47.9	\$45,375	6.2	\$179	2.1
2027	27,527	9.7	-277	21	35.6	\$1.4	\$288	\$377	\$48.2	\$45,798	6.1	\$181	2.1
2028	27,164	9.7	-304	17	35.5	\$1.5	\$297	\$390	\$48.4	\$46,400	6.0	\$181	2.1
2029	26,806	9.7	-295	17	35.3	\$1.5	\$304	\$399	\$48.4	\$46,936	6.3	\$185	2.0
2030	26,486	9.7	-253	20	35.2	\$1.5	\$312	\$409	\$48.5	\$47,342	6.6	\$187	2.1
2031	26,146	9.7	-267	24	35.0	\$1.6	\$319	\$419	\$48.5	\$47,856	6.8	\$189	2.0
2032	25,835	9.8	-236	22	34.8	\$1.6	\$326	\$428	\$48.5	\$48,109	6.9	\$191	2.2
2033	25,524	9.8	-232	22	34.6	\$1.6	\$332	\$437	\$48.4	\$48,509	6.9	\$193	1.8
2034	25,188	9.8	-253	24	34.3	\$1.6	\$338	\$444	\$48.3	\$48,888	7.0	\$194	2.0
2035	24,868	9.8	-234	20	34.1	\$1.7	\$344	\$452	\$48.3	\$49,288	7.0	\$195	2.1
2036	24,572	9.8	-209	20	33.8	\$1.7	\$351	\$460	\$48.2	\$49,572	7.1	\$195	2.5
2037	24,289	9.8	-190	21	33.6	\$1.7	\$358	\$468	\$48.1	\$49,815	7.2	\$196	2.6
2038	24,025	9.8	-170	21	33.3	\$1.8	\$365	\$476	\$48.1	\$50,166	7.2	\$196	2.4
2039	23,778	9.9	-150	19	33.1	\$1.8	\$372	\$485	\$48.0	\$50,415	7.2	\$197	2.6
2040	23,543	9.9	-139	25	32.9	\$1.8	\$380	\$495	\$48.0	\$50,733	7.3	\$197	2.5
2041	23,319	9.9	-128	23	32.6	\$1.9	\$386	\$502	\$47.9	\$51,132	7.4	\$197	2.1
2042	23,085	9.9	-140	21	32.4	\$1.9	\$393	\$511	\$47.9	\$51,600	7.2	\$197	2.0
2043	22,843	9.9	-151	21	32.2	\$2.0	\$401	\$521	\$47.8	\$52,067	7.3	\$198	1.9
2044	22,614	9.9	-141	26	32.0	\$2.0	\$409	\$531	\$47.7	\$52,571	7.4	\$198	1.7
2045	22,377	9.9	-150	29	31.8	\$2.0	\$417	\$542	\$47.7	\$53,111	7.4	\$199	1.8
2046	22,137	10.0	-157	27	31.6	\$2.1	\$424	\$551	\$47.6	\$53,586	7.6	\$199	1.9
2047	21,899	10.0	-160	25	31.4	\$2.1	\$432	\$561	\$47.5	\$53,885	7.6	\$199	2.1
2048	21,678	10.0	-146	29	31.2	\$2.1	\$442	\$573	\$47.4	\$54,255	7.6	\$200	2.2
2049	21,496	10.0	-114	31	31.1	\$2.2	\$452	\$586	\$47.4	\$54,699	7.5	\$200	1.9
2050	21,334	10.0	-97	28	30.9	\$2.2	\$462	\$600	\$47.3	\$55,018	7.6	\$201	2.0

Employment Sectors

2015-2022 History, 2023-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade (jobs)	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
2015	10,440	720	130	20	70	950	150	170	90	950	670	6,140
2016	10,200	620	150	10	90	960	150	160	110	900	620	6,160
2017	10,070	610	140	10	100	950	150	180	100	890	580	6,140
2018	10,040	660	170	10	80	970	140	190	90	880	560	6,070
2019	10,050	610	170	10	80	960	130	210	100	890	580	6,090
2020	9,500	260	180	20	80	940	130	240	60	860	470	6,040
2021	9,410	250	170	50	80	990	130	240	60	890	470	5,850
2022	9,360	510	180	60	70	990	130	230	60	970	480	5,460
2023	9,570	1,058	177	65	58	963	131	231	60	1,039	452	5,113
2024	9,530	1,082	172	68	57	965	130	231	60	1,031	457	5,057
2025	9,440	1,075	170	70	60	970	131	231	60	1,027	464	4,958
2026	9,340	1,059	168	73	61	972	131	231	59	1,027	475	4,870
2027	9,190	1,002	160	76	61	974	130	231	59	1,027	488	4,766
2028	9,080	1,002	154	78	61	974	130	231	59	1,027	499	4,651
2029	8,950	978	155	78	61	974	130	230	59	1,031	506	4,541
2030	8,840	951	159	80	61	974	130	230	59	1,037	506	4,444
2031	8,750	924	166	81	60	973	130	230	59	1,047	505	4,370
2032	8,640	907	164	82	58	973	130	230	59	1,055	502	4,276
2033	8,530	879	164	82	57	972	130	230	59	1,063	499	4,192
2034	8,390	851	166	83	56	972	130	230	59	1,071	496	4,067
2035	8,270	823	160	84	55	971	130	230	59	1,079	493	3,980
2036	8,170	802	160	85	54	970	130	230	59	1,087	491	3,902
2037	8,070	783	161	85	53	969	130	230	59	1,095	488	3,817
2038	7,990	774	161	86	52	968	130	230	59	1,101	486	3,743
2039	7,930	765	158	86	51	968	130	230	59	1,111	484	3,683
2040	7,860	755	167	86	50	967	130	230	59	1,116	483	3,618
2041	7,800	746	166	87	50	967	130	230	59	1,123	481	3,558
2042	7,730	746	163	87	49	966	130	229	59	1,130	480	3,493
2043	7,670	747	163	87	48	966	130	229	59	1,137	478	3,425
2044	7,600	737	171	88	47	966	130	229	59	1,142	477	3,360
2045	7,560	748	177	88	46	966	130	229	59	1,148	475	3,301
2046	7,510	758	174	88	46	965	130	229	59	1,154	473	3,242
2047	7,420	729	172	88	45	965	129	229	59	1,160	471	3,182
2048	7,370	720	177	89	44	965	129	229	59	1,165	469	3,128
2049	7,330	720	181	89	43	965	129	229	59	1,171	467	3,087
2050	7,290	711	178	89	43	965	129	229	59	1,174	466	3,051

Lassen County Economic Forecast

Socioeconomic Indicators

